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6 **UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF NEVADA**

8
9 **SECURITIES AND EXCHANGE**
10 **COMMISSION,**

11 Case No.: 2:16-cv-01413-JAD-BNW

12 Plaintiff,

13 vs.

14 **CONSENT OF DEFENDANT**
15 **HEMP, INC.**

16 HEMP, INC. a Colorado Corporation;
17 BRUCE J. PERLOWIN, an individual;
18 BARRY K. EPLING, an individual; JED
19 M. PERLOWIN, an individual; FERRIS
HOLDING, INC., a private Nevada
Corporation; HOBBS EQUITIES INC.,
a private Nevada Corporation;
DIVERSIFIED INVESTMENTS LLC, a
private Nevada Limited Liability
Company; and QUANTUM ECONOMIC
PROTOCOLS LLC, a private Nevada
Limited Liability Company.

20 Defendants.

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22 1. Defendant HEMP, INC. ("Defendant") acknowledges having been served with
23 the complaint in this action, enters a general appearance, and admits the Court's jurisdiction over
24 Defendant and over the subject matter of this action.

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26 2. Without admitting or denying the allegations of the complaint (except as provided
27 herein in paragraph 12 and except as to personal and subject matter jurisdiction, which

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1 Defendant admits), Defendant hereby consents to the entry of the Judgment in the form attached
2 hereto (the "Judgment") and incorporated by reference herein, which, among other things:

3 (a) permanently restrains and enjoins Defendant from violation of Sections 5
4 and 17 of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e,
5 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange
6 Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. §
7 240.10b-5].

8 3. Defendant agrees that, upon motion of the Commission, the Court shall determine
9 whether it is appropriate to order disgorgement of ill-gotten gains and/or a civil penalty pursuant
10 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange
11 Act [15 U.S.C. § 78u(d)(3)] and, if so, the amount(s) of the disgorgement and/or civil penalty.

12 Defendant further understands that, if disgorgement is ordered, Hemp shall pay prejudgment
13 interest thereon, calculated from August 2, 2011, based on the rate of interest used by the
14 Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C.
15 § 6621(a)(2). Defendant further agrees that in connection with the Commission's motion for
16 disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will
17 be precluded from arguing that it did not violate the federal securities laws as alleged in the
18 Complaint; (b) Defendant may not challenge the validity of this Consent or the Judgment; (c)
19 solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and
20 deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the
21 basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and
22 documentary evidence, without regard to the standards for summary judgment contained in Rule
23 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for
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1 disgorgement and/or civil penalties, the parties may take discovery, including discovery from
2 appropriate non-parties.

3 4. Defendant agrees that it shall not seek or accept, directly or indirectly,
4 reimbursement or indemnification from any source, including but not limited to payment made
5 pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays
6 pursuant to the Judgment, regardless of whether such penalty amounts or any part thereof are
7 added to a distribution fund or otherwise used for the benefit of investors. Defendant further
8 agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any
9 federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Judgment,
10 regardless of whether such penalty amounts or any part thereof are added to a distribution fund
11 or otherwise used for the benefit of investors.

12 5. Defendant waives the entry of findings of fact and conclusions of law pursuant to
13 Rule 52 of the Federal Rules of Civil Procedure.

14 6. Defendant waives the right, if any, to a jury trial and to appeal from the entry of
15 the Judgment.

16 7. Defendant enters into this Consent voluntarily and represents that no threats,
17 offers, promises, or inducements of any kind have been made by the Commission or any
18 member, officer, employee, agent, or representative of the Commission to induce Defendant to
19 enter into this Consent.

20 8. Defendant agrees that this Consent shall be incorporated into the Judgment with
21 the same force and effect as if fully set forth therein.

22 9. Defendant will not oppose the enforcement of the Judgment on the ground, if any
23 exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby
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waives any objection based thereon.

10. Defendant waives service of the Judgment and agrees that entry of the Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Hemp has received and read a copy of the Judgment.

11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

12. Defendant understands and agrees to comply with the terms of 17 C.F.R.

1 § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant
2 or respondent to consent to a judgment or order that imposes a sanction while denying the
3 allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is
4 equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies
5 the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e),
6 Defendant: (i) will not take any action or make or permit to be made any public statement
7 denying, directly or indirectly, any allegation in the complaint or creating the impression that the
8 complaint is without factual basis; (ii) will not make or permit to be made any public statement
9 to the effect that Defendant does not admit the allegations of the complaint, or that this Consent
10 contains no admission of the allegations, without also stating that Defendant does not deny the
11 allegations; and (iii) upon the filing of this Consent, Defendant hereby withdraws any papers
12 filed in this action to the extent that they deny any allegation in the complaint. If Defendant
13 breaches this agreement, the Commission may petition the Court to vacate the Judgment and
14 restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i)
15 testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal
16 proceedings in which the Commission is not a party.

16. Defendant hereby waives any rights under the Equal Access to Justice Act, the
17 Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to
18 seek from the United States, or any agency, or any official of the United States acting in his or
19 her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees,
20 expenses, or costs expended by Defendant to defend against this action. For these purposes,
21 Defendant agrees that Defendant is not the prevailing party in this action since the parties have
22 reached a good faith settlement.

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22. Defendant agrees that the Commission may present the Judgment to the Court for signature and entry without further notice.

23. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Judgment.

Dated: 12/1/2020

Bruce Perlerem
HEMP, INC.

By: Bruce J. Perlowin
Bruce J. Perlowin, President
7664 Noche Oscura Circle
Las Vegas, NV 89139

On the 15 day of December, 2020, Bruce J. Perlwin, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of Hemp, Inc. as its President.



Notary Public
Commission expires:

Approved as to form:

ved as to form:
Tom Spaulding

Thomas A. Sporkin
Timothy J. Coley
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